

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

Re: High-Cost Universal Service Support; Federal-State Joint Board on Universal Service; WC Docket No. 05-337, CC Docket No. 96-45

I have consistently stated that, while the Universal Service system has been instrumental in keeping Americans connected and has improved their quality of life, the system is in dire need of comprehensive reform. It has been my position that reform of the Universal Service system must accomplish five basic objectives. The Commission must:

- (1) contain the growth of the Fund;
- (2) in a limited and fiscally sound manner, explore the possibility of broadening the base of contributors;
- (3) reduce the contribution burden;
- (4) ensure competitive neutrality; and
- (5) eliminate waste, fraud and other abuses of the system.

The Commission must achieve these objectives instead of adding to the growth of the fund.

I am, however, concerned that part of the order results in additional universal service funds being disbursed to Wyoming. Such concern stems from my overall belief that the Commission's primary focus must be on containing the size of the fund. At the same time, I understand the equities and unique circumstances relating to Wyoming, as set forth in this order. Furthermore, I understand that Wyoming is the only state that has shown that its rural residential rates are not comparable to the nationwide urban rate benchmark and has taken all reasonably possible steps to achieve reasonable comparability through state action and existing federal support. For these reasons, I concur with the Wyoming section (III) of the order.

In the meantime, I will continue to call for the Commission to undertake meaningful and comprehensive reform.